

AMENDED IN SENATE AUGUST 15, 2016

AMENDED IN SENATE JUNE 9, 2016

AMENDED IN ASSEMBLY APRIL 11, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1794**

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**Introduced by Assembly Member Cristina Garcia**  
**(Coauthors: Assembly Members O'Donnell and Rendon)**  
*(Coauthor: Senator Lara)*

February 4, 2016

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An act to add Chapter 1.6 (commencing with Section 71265) to Part 3 of Division 20 of the Water Code, relating to municipal water districts, ~~and declaring the urgency thereof, to take effect immediately.~~ *districts.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 1794, as amended, Cristina Garcia. Central Basin Municipal Water District.

Existing law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts' specified powers. Existing law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Existing law requires the board of directors of a district to consist of 5 members and each director to be a resident of the division from which the director is elected.

This bill would require the board of directors of the Central Basin Municipal Water District to be composed of ~~8 directors~~, *directors* until the directors elected at the November ~~6, 2018~~, 8, 2022, election take office, when the board would be composed of 7 directors, as prescribed. ~~This bill would require the Central Basin Municipal Water District to establish a technical oversight committee composed of 5 water purveyors selected every 2 years, as specified, to meet on at least a quarterly basis for certain purposes.~~ By imposing new duties on the district, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

*This bill would make its operation contingent on the enactment of SB 953 of the 2015–16 Regular Session.*

Vote:  $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Chapter 1.6 (commencing with Section 71265)
- 2 is added to Part 3 of Division 20 of the Water Code, to read:
- 3
- 4 CHAPTER 1.6. CENTRAL BASIN MUNICIPAL WATER DISTRICT
- 5
- 6 71265. For the purposes of this chapter:
- 7 (a) “District” means the Central Basin Municipal Water District.
- 8 (b) “Large water purveyor” means a public water system that
- 9 is one of the top five purveyors of water as measured by the total
- 10 purchase of potable and recycled water from the district for the
- 11 three prior fiscal years.
- 12 (c) “Public water system” has the same meaning as in Section
- 13 116275 of the Health and Safety Code.
- 14 (d) “Relevant technical expertise” means employment or
- 15 consulting for a total period of at least five years, prior to the date

1 of first appointment, in one or more positions materially responsible  
2 for performing services relating to the management, operations,  
3 engineering, construction, financing, contracting, regulation, or  
4 resource management of a public water system.

5 (e) “Small water purveyor” means a public water system with  
6 less than 5,000 connections.

7 71266. (a) Except as provided in subdivision ~~(b)~~ (c) and  
8 notwithstanding any other provision of this division, the board of  
9 directors of the district shall be composed of seven directors as  
10 follows:

11 (1) Four directors, one director elected for each division  
12 established pursuant to subdivision (d) by the voters of the division.  
13 Each director shall be a resident of the division from which he or  
14 she is elected. An election pursuant to this paragraph shall be in  
15 accordance with the Uniform District Election Law (Part 4  
16 (commencing with Section 10500) of Division 10 of the Election  
17 Code).

18 (2) Three directors appointed by the water purveyors of the  
19 district in accordance with Section 71267.

20 (b) The district shall be subject to Section 84308 of the  
21 Government Code.

22 (c) Until the directors elected at the November ~~6, 2018~~, 8, 2022,  
23 election take office, the board of directors shall be composed of  
24 eight directors as follows:

25 (1) Five directors in accordance with Section 71250.

26 (2) Three directors appointed by the water purveyors of the  
27 district pursuant to Section 71267.

28 (d) The board of directors shall divide the district into four  
29 divisions in a manner as to equalize, as nearly as practicable, the  
30 population in the respective divisions pursuant to Section 71540.

31 71267. (a) The general manager of the district shall notify  
32 each water purveyor of the district and provide a 60-day period  
33 during which the district will accept nominations for appointment  
34 of individuals to the board of directors.

35 (b) Individuals nominated for appointment to the board of  
36 directors shall demonstrate eligibility and relevant technical  
37 expertise.

38 (c) (1) The three directors appointed by the water purveyors  
39 shall be selected by the water purveyors of the district every four  
40 years as follows:

1 (A) One director shall be selected by all large water purveyors  
2 from the nominees of large water purveyors. Each large water  
3 purveyor shall have one vote.

4 (B) One director shall be selected by all cities that are water  
5 purveyors of the district from the nominees of cities. Each city  
6 shall have one vote.

7 (C) One director shall be selected by all of the water purveyors  
8 of the district from any nominee. The vote of each purveyor shall  
9 be weighted to reflect the number of service connections of that  
10 water purveyor within the district. If the selection of a director  
11 under this subparagraph would result in a violation of paragraph  
12 (2), the first eligible candidate receiving the next highest number  
13 of votes shall be selected.

14 (2) The appointment of directors pursuant to paragraph (1) shall  
15 not result in any of the following:

16 (A) The appointment of three directors that are all employed  
17 by or representatives of entities that are all large water purveyors.

18 (B) The appointment of three directors that are all employed by  
19 or representatives of entities that are all cities.

20 (C) The appointment of three directors that are all employed by  
21 or representatives of entities that are all small water purveyors.

22 (3) Each nominee for director who receives the highest number  
23 of votes cast for each office described in paragraph (1) is appointed  
24 as a director to the board of directors and shall take office in  
25 accordance with Section 71512. The general manager shall collect  
26 the votes and report the results to the water purveyors. Votes for  
27 an appointed director are public records.

28 (d) Each appointed director shall live or work within the district.

29 (e) In order to ensure continuity of knowledge, the directors  
30 appointed at the first purveyor selection shall classify themselves  
31 by lot so that two of them shall hold office until the selection of  
32 their successors at the first succeeding purveyor selection and one  
33 of them shall hold office until the selection of his or her successor  
34 at the second succeeding purveyor selection.

35 (f) (1) The term of a director appointed pursuant to  
36 subparagraph (A) of paragraph (1) of subdivision (c) is terminated  
37 if the appointed director no longer is employed by or a  
38 representative of a large water purveyor.

39 (2) The term of a director appointed pursuant to subparagraph  
40 (B) of paragraph (1) of subdivision (c) is terminated if the

1 appointed director no longer is employed by or a representative  
2 of a city.

3 (3) The term of a director appointed pursuant to subparagraph  
4 (C) of paragraph (1) of subdivision (c) is terminated if the  
5 appointed director no longer is employed by or a representative  
6 of a water purveyor.

7 (g) (1) An appointed director shall not do ~~either~~ *any* of the  
8 following:

9 (A) Hold an elected office.

10 (B) Hold more than 0.5 percent ownership in a company  
11 regulated by the Public Utilities Commission.

12 (C) *Hold more than one consecutive term of office on the board.*

13 (2) An appointed director shall be subject to all applicable  
14 conflict-of-interest and ethics provisions and shall recuse himself  
15 or herself from participating in a decision that could have a direct  
16 material benefit on the financial interests of the director.

17 (h) A vacancy in an office of appointed director shall be filled  
18 in accordance with the selection process described in subdivisions  
19 (a) to (c), inclusive.

20 (i) (1) An appointed director shall be eligible for all of the  
21 following:

22 (A) Reimbursement for travel and conference expenses pursuant  
23 to the Central Basin Municipal Water District Administrative Code.

24 (B) Compensation for up to 10 meetings per month at the per  
25 meeting rate provided by the Central Basin Municipal Water  
26 District Administrative Code.

27 (C) Health insurance benefits, if those benefits are not provided  
28 by the director's employer.

29 (2) An appointed director shall not be eligible to receive  
30 communication or car allowances. For purposes of this paragraph,  
31 "car allowances" does not include travel expenses incurred as  
32 described in paragraph (1).

33 (3) An appointed director may waive the reimbursement and  
34 compensation described in paragraph (1) and may be required to  
35 reimburse his or her employer for any compensation received.

36 ~~71268. (a) (1) The board of directors shall establish a technical~~  
37 ~~oversight committee composed of the representatives of five water~~  
38 ~~purveyors selected before December 31, 2016, and every two years~~  
39 ~~thereafter, as follows:~~

1     ~~(A) One position shall be selected by the large water purveyors~~  
2     ~~from nominated large water purveyors, each large water purveyor~~  
3     ~~having one vote.~~

4     ~~(B) One position shall be selected by the cities that are water~~  
5     ~~purveyors of the district from nominated cities, each city having~~  
6     ~~one vote.~~

7     ~~(C) One position shall be selected by the small water purveyors~~  
8     ~~from nominated small water purveyors, each small water purveyor~~  
9     ~~having one vote.~~

10    ~~(D) Two positions shall be selected by all water purveyors of~~  
11    ~~the district from nominated water purveyors with the vote of each~~  
12    ~~purveyor weighted to reflect the number of service connections of~~  
13    ~~that water purveyor.~~

14    ~~(2) If a position for a large water purveyor, small water~~  
15    ~~purveyor, or city that is a water purveyor cannot be filled by~~  
16    ~~someone in that category, the position shall be selected by the~~  
17    ~~purveyors at large.~~

18    ~~(3) Each nominated water purveyor that receives the highest~~  
19    ~~number of votes cast for each position described in paragraph (1)~~  
20    ~~is selected to the position. The general manager shall collect the~~  
21    ~~votes and report the results to the water purveyors. Votes for a~~  
22    ~~position on the technical oversight committee are public records.~~

23    ~~(b) In composing the technical oversight committee, a person~~  
24    ~~and an alternate from each water purveyor selected to a position~~  
25    ~~pursuant to subdivision (a) shall serve on the technical oversight~~  
26    ~~committee. A purveyor may change the person or alternate that~~  
27    ~~serves on the technical oversight committee at any time. Those~~  
28    ~~selected shall demonstrate eligibility and relevant technical~~  
29    ~~expertise.~~

30    ~~(c) The general manager of the district shall notify each water~~  
31    ~~purveyor of the district and provide a 60-day period during which~~  
32    ~~the district will accept nominations to serve on the technical~~  
33    ~~oversight committee.~~

34    ~~(d) (1) To be eligible to serve on the technical oversight~~  
35    ~~committee, a water purveyor shall not have an individual employed~~  
36    ~~by or representing that water purveyor on the board of directors.~~

37    ~~(2) A water purveyor shall not hold more than one technical~~  
38    ~~oversight committee seat.~~

1     ~~(3) A member of the technical oversight committee shall not~~  
2     ~~own more than 1 percent of a company regulated by the Public~~  
3     ~~Utilities Commission.~~

4     ~~(4) A member of the technical oversight committee shall be~~  
5     ~~subject to all applicable conflict-of-interest and ethics provisions~~  
6     ~~and shall recuse himself or herself from participating in a decision~~  
7     ~~that could have a direct material benefit on the financial interests~~  
8     ~~of the member.~~

9     ~~(5) A member of the technical oversight committee may request~~  
10    ~~reimbursement from the district for actual, necessary, and~~  
11    ~~reasonable expenses incurred in furtherance of his or her duties~~  
12    ~~on the technical oversight committee. Those reimbursements shall~~  
13    ~~not exceed five hundred dollars (\$500) during a 12-month time~~  
14    ~~period.~~

15    ~~71269. (a) The technical oversight committee shall meet at~~  
16    ~~least on a quarterly basis for the following purposes:~~

17    ~~(1) To review the district's budget and projects for the purpose~~  
18    ~~of providing nonbinding advice to the district's general manager~~  
19    ~~and the board of directors.~~

20    ~~(2) To review and approve proposed changes to the~~  
21    ~~administrative code relating to ethics, director compensation, and~~  
22    ~~benefits.~~

23    ~~(3) To review and approve proposed changes relating to~~  
24    ~~procurement.~~

25    ~~(b) The board of directors shall not make a change described in~~  
26    ~~paragraph (2) or (3) of subdivision (a) unless the technical oversight~~  
27    ~~committee approves the change by majority vote before the change~~  
28    ~~comes to a vote of the board of directors.~~

29    SEC. 2. If the Commission on State Mandates determines that  
30    this act contains costs mandated by the state, reimbursement to  
31    local agencies and school districts for those costs shall be made  
32    pursuant to Part 7 (commencing with Section 17500) of Division  
33    4 of Title 2 of the Government Code.

34    SEC. 3. ~~This act is an urgency statute necessary for the~~  
35    ~~immediate preservation of the public peace, health, or safety within~~  
36    ~~the meaning of Article IV of the Constitution and shall go into~~  
37    ~~immediate effect. The facts constituting the necessity are:~~

38    ~~In order that the provisions of this act take effect before the~~  
39    ~~November 8, 2016, election for the board of directors of the Central~~

1 ~~Basin Municipal Water District, it is necessary that this act take~~  
2 ~~effect immediately.~~

3 *SEC. 3. This act shall only become operative if Senate Bill 953*  
4 *of the 2015–16 Regular Session is enacted and becomes effective.*